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August 6, 1997

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

William F. Caton  
Acting Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, NW  
Washington, DC 20554

Re: Oral and Written Ex Parte Presentations -  
WT Docket No. 97-82

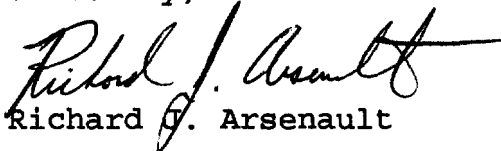
Dear Mr. Caton:

Cook Inlet Region, Inc. ("CIRI"), hereby gives notice of oral and written ex parte presentations in the above-referenced proceeding.

The oral presentation was made on August 5, 1997 to Jon Garcia in the Commission's Office of Plans and Policy and is consistent with the enclosed letter which was delivered to Mr. Garcia on August 6, 1997.

Two copies of the letter are included with this notification pursuant to Section 1.1206(b)(1) of the Commission's Rules, 47 C.F.R. § 1.1206(b)(1).

Sincerely,

  
Richard J. Arsenault

Enclosures

cc: Mr. Jon Garcia

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**AUG - 6 1997**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

August 5, 1997

Mr. Jon C. Garcia  
Director of Strategic Analysis  
Office of Plans and Policy  
Federal Communications Commission  
1919 M Street, NW, Room 822  
Washington, DC 20554

Dear Jon:

Thank you for taking the time to meet with Steve Hillard and me today to discuss your C Block Task Force efforts.

You asked that we summarize our views for your reference. As you know, it is our fundamental view that the Commission should enforce its rules and hold all participants to the terms that they agreed to through the auction. To the extent that you consider relief and without waiving any rights as to future appeals, the following outline summarizes the points that we made to you this morning:

1. First and Foremost The Commission Must Announce (and Follow) a Hard Line Regarding Enforcement of its Competitive Bidding Rules
  - The Commission must enforce its Rules.
  - The Commission must take aggressive measures to collect money owed to the government.
  - The Commission must assert claims for deficiencies.
  - The Commission must announce its intention to "pierce the corporate veil" in the case of thinly-capitalized entities that misrepresented their financial capacity prior to auction.

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- The Commission must confirm that defaulting bidders (and their attributable investors) will face eligibility scrutiny for current and future license ownership.
  - The Commission must put licenses in the hands of parties who can build and operate systems.
  - The Commission must dispossess the defaulting incumbent.
2. The Commission Should Permit Annualized Installment Payments Only in Connection with a Newly Executed Promissory Note and Security Agreements
- The Commission's new promissory note must perfect its position in the case of a subsequent bankruptcy filing.
  - Building on its success in the Pocket Communications bankruptcy, the Commission should make clear that the subject license is not property of the debtor's estate.
3. The Commission Might Consider a Limited Amnesty Program Only if it Does Not Penalize Responsible Licensees
- Amnesty participants and their control group members and affiliates (excluding institutional investors) should not be permitted to participate in a reauction of the same licenses.
  - Amnesty should not be available to any licensees who have filed a bankruptcy petition. (Parties cannot avail themselves of special powers through bankruptcy and add to that the benefits of amnesty.)
  - Such an amnesty program should feature a small time window in which to return broadband PCS licenses.
  - Amnesty participants must be required to deliver to the Commission good title to the licenses, free and clear of competing claims from other creditors. This is best accomplished through a pre-approved joint bankruptcy petition.

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- Amnesty participants must be required to return all C and F block licenses to the Commission; overextended bidders should not be permitted to cherry-pick licenses.
- To encourage amnesty participation among overextended bidders, the Commission might offer to refund not more than 25 percent of the bidders' downpayments as "walk away" money.
- The Commission must provide compensatory compliance benefit and transition rules for responsible control group parties who are meeting their obligations to the Commission and are not the subject of a petition in bankruptcy.
  - Compliance Benefits should accrue to the qualified small business, and they should include an additional 10% bidding credit for any reauction.
  - To qualify for Compliance Benefits, a party must meet all financial obligations with the Commission, and demonstrate substantial and detrimental reliance such as through completed buildout of service.
  - Transition rules should include relaxed transfer and control group relief.
- The reauction of "amnesty" licenses must be held promptly, and must feature more strict financial qualification rules and less liberal financing terms.

Thank you again for the opportunity to discuss these matters today. Please feel free to call if we can be of further assistance to your efforts.

With best regards,

Cordially,



William D. Phillips